(c) Grievance redressal mechanism is in place in all the public sector insurance companies. Apart from this, there are 12 ombudsmen for settling grievances expeditiously. These fora are available to all the policy holders for redressal of grievances in the event of violation of contract including delay and repudiation of claims.

Establishment of Stree Shakti Grameena Bank

1969. DR. VIJAY MALLYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the previous Karnataka Government had launched a popular programme called 'Stree Shakti' for empowering women through self-help groups;

(b) whether there is any proposal submitted by the State Government of Karnataka for establishment of 'Stree Shakti Grameena Bank' and other similar banking institutions; and

(c) if so, when would necessary permission be accorded for the establishment of any such banking institution?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir, the "Stree Shakti" Programme was promoted by the Govt. of Karnataka for empowering women through Self Help Groups (SHGs). By providing state support of about Rs. 60 crores, the State Government had formed and supported 1 lakh "Stree Shakti" groups over the last four years. Together these groups cover nearly 15 lakh families.

(b) and (c) The State Government through its Women and Child Development Department had proposed to set up a dedicated banking institution for providing adequate and timely credit services to SHGs in the State and the same was referred to Reserve Bank of India (RBI). RBI in its reply to the State Government indicated that under the provisions of Banking Regulation Act-1949, there is no such concept as a limited purpose bank. Further, a bank granted licence under section 22 of the said Act would be required to provide banking services to the general public and not merely to a particular clientele. Therefore, the proposal of the State Govt. could not be accepted by the RBI. .